

AGREEMENT FOR TRAFFIC IN TRANSIT AMONG THE GOVERNMENTS OF THE PEOPLE'S REPUBLIC OF CHINA, THE KYRGYZ REPUBLIC, THE REPUBLIC OF KAZAKHSTAN AND THE ISLAMIC REPUBLIC OF PAKISTAN

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Roundtable Seminar on Ways Forward for Corridor-Based
Transport Facilitation Arrangements in the CAREC Region
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CONTRACTING STATES

- PEOPLE'S REPUBLIC OF CHINA
- ISLAMIC REPUBLIC OF PAKISTAN
- REPUBLIC OF KAZAKHSTAN
- KYRGYZ REPUBLIC

IMPLEMENTATION STATUS

- n SIGNED ON 9TH MARCH, 1995
- n BECAME OPERATIONAL AFTER 9 YEARS IN MAY 2005,
AFTER SOME INITIAL IMPEDIMENTS

PROTOCOLS & REGULATIONS SIGNED SUBSEQUENTLY AND FORMING INTEGRAL PART OF THE AGREEMENT

- § PROTOCOL ON CUSTOMS PROCEDURES FOR TRAFFIC IN TRANSIT AND VISA REGIME SIGNED IN JULY, 1996
- § PROTOCOL ON ESTABLISHING SYSTEM OF INTERNATIONAL ROAD TRANSIT PERMIT FOR TRAFFIC IN TRANSIT IN NOVEMBER, 1998
- § REGULATIONS FOR IMPLEMENTATION OF AGREEMENT ON TRAFFIC IN TRANSIT SIGNED IN NOVEMBER, 1998.

SALIENT FEATURES OF THE AGREEMENT

- MUTUALLY AGREED ROUTES
- MULTI-MODAL TRANSPORT REGIME ON MUTUALLY AGREED AND DESIGNATED ROUTES WITHOUT OWNERSHIP DISTINCTION
- GOODS, BAGGAGE AND VEHICLE TO BE TREATED AS "TRAFFIC IN TRANSIT"
- DESIGNATED BORDER POSTS AND LAND ROUTES

SALIENT FEATURES OF THE AGREEMENT

- n NO DUTY AND TAXES ON VEHICLES
- n IMPOSITION AND COLLECTION OF TOLL TAXES AND MAINTENANCE FEE
- n UNIFORM CUSTOMS PROCEDURES AND FORMALITIES
- n INFRASTRUCTURE FACILITIES
- n "NATIONAL TREATMENT" IN CASE OF RAILWAY/ROAD FREIGHT, PORT & OTHER CHARGES

SALIENT FEATURES OF THE AGREEMENT

- UNIFORM SET OF CONSIGNMENT NOTES
- APPLICATION OF NATIONAL LEGISLATIONS FOR PROHIBITIONS AND RESTRICTIONS
- VALIDITY OF AGREEMENT (5 YEARS)
- TO BE RENEWED AUTOMATICALLY IF NO REQUEST FOR TERMINATION
- LIAISON OFFICES TO LOOK INTO THE WORKING OF THE AGREEMENT

BORDER POSTS AND LAND ROUTES

n BORDER POSTS

1. Pakistan (Sust and Karachi Sea Ports)
2. China (Khunjerab, Torugart and Khorgos)
3. Kyrgyzstan(Torugart and Ak-Joi)
4. Kazakhstan (Kordai and Khorgos)

n LAND ROUTES

1. Karachi to Peshawar (N-55) or Karachi to Islamabad/rawalpindi to Hassanabdal-Gilgit-Sust
2. Khunjerab-Khashgar-Torugart(China)-Torugart (Kyrgyzstan)
3. Bishkek-Ak-Jol-Kordai-Almaty
4. Khorgos(Kazakhstan)-Khorgos(China) and vice versa

CAREC –TRANSPORT CORRIDOR FOR ISLAMIC REPUBLIC OF PAKISTAN

- n Torkhum-Peshawar-Kohat-D.I. Khan-Ratodero-Sehwan-Duregi-Hub-Karachi
- n Torkhum-Peshawar-Kohat-D.I. Khan-D.G. Khan-Ratodero-Khuzdar-Awaran-Turbat-Gwadar

ISSUES/DIFFICULTIES FACED IN IMPLEMENTATION

- PERMITS FOR TRANSIT TRAFFIC
- UNIFICATION OF THE STANDARDS OF VEHICLES' DIMENSION AND WEIGHT
- TRANSIT FEES AND TOLL CHARGES
- COMMENCEMENT OF TRAFFIC IN TRANSIT

ENDEAVORS TO RESOLVE ISSUES/DIFFICULTIES

- EXPERTS LEVEL
MEETING HELD IN
ISLAMABAD, IN
AUGUST, 2003.

- WORKING LEVEL
MEETING HELD IN
URUMUQI IN APRIL,
2004.

CONSENSUS REACHED ON THE AFOREMENTIONED ISSUES

1. PERMITS FOR TRANSIT TRAFFIC

- n PAKISTAN SHALL PRINT THE PERMITS. 200 FOR EACH COUNTRY
- n INTERNATIONAL CONSIGNMENT NOTES SHALL BE PRINTED BY EVERY CONTRACTING PARTY
- n PERMITS SHALL BE HANDED OVER THROUGH DIPLOMATIC CHANNELS

CONSENSUS REACHED ON THE AFOREMENTIONED ISSUES

2. UNIFICATION OF THE STANDARDS OF VEHICLES' DIMENSION AND WEIGHT
 - n LENGTH OF VEHICLE SHALL NOT EXCEED 20 METERS, WIDENESS 2.55 METERS, HEIGHT 4 METERS AND GROSS WEIGHT 38 TONS
 - n FOR UN-SEPARATABLE BIG CARGO, SPECIAL PERMITS SHALL BE APPLIED

CONSENSUS REACHED ON THE AFOREMENTIONED ISSUES

3 TRANSIT FEES AND TOLL CHARGES

- n ROAD MAINTENANCE FEE AND TRANSIT FEE SHALL BE EXEMPTED
- n TOLL (BRIDGES AND TUNNELS) CHARGES SHALL BE COLLECTED IN ACCORDANCE WITH THE DOMESTIC LAWS AND REGULATIONS
- n NATIONAL TREATMENT SHALL BE GIVEN TO THE TRANSIT VEHICLES

CONSENSUS REACHED ON THE AFOREMENTIONED ISSUES

4. COMMENCEMENT OF TRAFFIC-IN-TRANSIT

- TRAFFIC-IN-TRANSIT SHALL COMMENCE ON 15TH MAY, 2004
- ISSUE OF AMENDMENTS AND SUPPLEMENTS SHALL BE SETTLED WITH FUTURE CONSULTATION

STRENGTHS AND WEAKNESSES

n STRENGTHS

1. WOULD HELP FACILITATE CROSS-BORDER AND TRANSIT TRADE, IN TURN HELPING INCREASE BUSINESS ACTIVITY AND INVESTMENT IN THE REGION
2. HELP IN REMOVING BARRIERS TO CROSS-BORDER TRANSPORT OF GOODS AND PEOPLE THROUGH DESIGNATED BORDERS WITH FASTER CUSTOMS INSPECTIONS AND REDUCED REQUIREMENTS TO TRANSFER SHIPMENTS
3. HUGE SCOPE FOR CONTRACTING STATES' DIVERSE PRODUCTS ENTRY INTO EACH OTHER'S STATES
4. OWING TO ITS STRATEGIC POSITION PROVIDES SHORTEST AND FASTEST TRADE CORRIDORS TO LINK THE CENTRAL ASIAN REPUBLICS TO THE REST OF THE WORLD

STRENGTHS AND WEAKNESSES

n WEAKNESSES

1. A CASE OF MISSED OPPORTUNITIES
2. AGREEMENT ON PAPER
3. A BILATERAL AGREEMENT ALREADY EXISTS B/W CHINA & PAKISTAN
4. ABSENCE OF BUSINESS SUPPORT SERVICES (INSURANCE, FREIGHT FORWARDING, LOGISTICS & INTER-MODAL TRANSPORT SHIPPING LINES HESITATION
5. ABSENCE OF PROPER ROAD NETWORK
6. WEATHER
7. ABSENCE OF PROPER NETWORKING OF TRADERS
8. DELAY IN ISSUANCE OF VISAS
9. LACK OF MARKETING STRATEGIES
10. LACK OF EFFECTIVE AND EFFICIENT BANKING SYSTEM IN CONTRACTING STATES

FUTURE DIRECTIONS & SUGGESTIONS

- INTRODUCTION OF SINGLE COUNTRY EXHIBITIONS
- OPENING OF BANK BRANCHES IN CONTRACTING STATES
- JOINT VENTURES FOR UTILIZATION OF RAW MATERIALS AVAILABLE IN CONTRACTING STATES
- TRADING HOUSES BY PRIVATE SECTOR
- SECURITY OF EXPORT PROCEEDS AND INVESTMENTS THROUGH INSURANCE
- FORMULATION OF BUSINESS COUNCILS & COMMITTEES B/W CHAMBERS
- DEVELOPMENT OF ALL WEATHER LAND ROUTES VIA KARAKORAM HIGHWAY AND TRANSPORTATION OF GOODS THROUGH PUBLIC/PRIVATE SECTOR TRANSPORT COMPANIES